

## Message Text

UNCLASSIFIED

PAGE 01 SAN JO 01956 142242Z

55

ACTION OPIC-06

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 TRSE-00 FRB-01

CIAE-00 INR-07 NSAE-00 /037 W  
----- 022298

R 142201Z MAY 75

FM AMEMBASSY SAN JOSE  
TO SECSTATE WASHDC 0193

UNCLAS SAN JOSE 1956

E.O. 11652: N/A

TAGS: EINV CS

SUBJECT: OPIC APPLICATION OF FIRST NATIONAL  
OVERSEAS INVESTMENT CORP.

REF: STATE 103642

1. EMBASSY CONTINUES TO HAVE DOUBTS THAT IT IS POSSIBLE TO JUDGE WHETHER A CAPITAL INCREASE FOR A BANK WOULD HAVE A SIGNIFICANT DEVELOPMENTAL EFFECT WITHOUT KNOWING TO WHAT SPECIFIC PURPOSE THE MONEY WILL BE PUT. HOWEVER, THE EMBASSY HAS NO OBJECTION TO THE PROPOSED INVESTMENT GUARANTEE IF THE DEPARTMENT AND OPIC WISH TO GO AHEAD ON THE BASIS OF THE RATIONALES PROVIDED IN REFTEL.

2. EMBASSY RECOGNIZES THE EXTREME DIFFICULTY OF APPLYING NORMAL CRITERIA FROM THE OPIC LEGISLATION TO BANKING OPERATIONS AND WOULD MAKE THE FOLLOWING OBSERVATIONS IN RESPONSE TO REQUEST IN PARA 3 OF REFTEL:

1) FNOIC'S FINANCIERA IN COSTA RICA WOULD USE THE CAPITAL INCREASE AS AN INCREMENT TO RESERVES, WHICH WOULD INCREASE ITS LENDING CAPACITY;

2) A CAPITAL INCREASE FOR ANY BANK HERE, REGARDLESS OF THE PURPOSE FOR WHICH THE FUNDS WERE TO BE USED,  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SAN JO 01956 142242Z

WOULD "STRENGTHEN THE CAPITAL MARKET STRUCTURE IN

COSTA RICA;"

3) THE LIKELIHOOD OF IMPROVING THE EFFICIENCY  
OF ALLOCATING FINANCIAL RESOURCES WOULD APPEAR TO  
DEPEND ON THE PURPOSE FOR WHICH THE MONEY WOULD  
BE USED RATHER THAN ON THE FINANCIAL INFLOW PER SE.  
TODMAN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, INVESTMENT GUARANTEES, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SANJO01956  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750170-1054  
**From:** SAN JOSE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750553/aaaabvvn.tel  
**Line Count:** 68  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION OPIC  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 103642  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUL 2003 by maginmm>; APPROVED <05 FEB 2004 by SmithRJ>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPIC APPLICATION OF FIRST NATIONAL OVERSEAS INVESTMENT CORP.  
**TAGS:** EINV, CS, OPIC, FIRST NATL OVERSEAS INVESTMENT CORP  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006